

Identify marketing opportunities assignment

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BUSTER**

| | Services | | | | | | Warranties | | List price | | Sales | | | | Returns | |
 Discounts | | promotion | | | | | | Allowances | | Advertising | | | | | | Payment | |
 Sales force | | | | | | period | | Public | | | | | | Credit | | relations | | | | | | terms |
 | Direct | | | | | | | | marketing | | | | | | | | | | Source: Kotler, P. 2000,
 Marketing Management, Prentice Hall, New Jersey. | OHT 2. 1 MARKETING
 RESEARCH Marketing research is the function that links the consumer,
 customer and public to the market through information.

OHT 2. 2 MARKETING RESEARCH ??? specifies the information required ???
 designs the methods for collecting information ??? manages the data
 collection process ??? analyses the results ??? communicates the findings
 and the implications. OHT 2. 3 THE PURPOSE OF MARKET RESEARCH ??? To
 replace subjective judgements with facts ??? To ensure that time needs and
 expectations of customers are met ??? To lessen the uncertainty of
 management decisions OHT 2. 4 MARKETING RESEARCH IS AN IMPORTANT
 MARKETING ACTIVITY BECAUSE IT IS USED TO: ??? identify and define
 marketing opportunities and problems ??? generate, refine and evaluate
 marketing actions ??? monitor marketing performance improve
 understanding of the marketing process. OHT 2. 5 SOME CHARACTERISTICS
 OF MARKETING RESEARCH: ??? Applied Research involves solving a specific
 problem. ??? Basic Research is used to extend knowledge. ??? Inaccurate
 information is always a possibility because research involves predicting
 human behaviour. ??? Budget and time constraints play an important role in
 any research. (How much will it cost and will it be available when I need it?)
 OHT 2. 6 FIVE MAIN TYPES OF RESEARCH ??? Research on markets ???
 Research on products ??? Research and Distribution ??? Research on Sales

Planning and Operations ??? Research on Advertising OHT 2. 7 RESEARCH ON MARKETS ??? The size of the market Market share ??? Sales potential ??? Trends ??? Market characteristics ??? New markets ??? Motivation to buy RESEARCH ON PRODUCTS ??? New product (design benefits) ??? Product range ??? Customer acceptance ??? Positioning ??? Packaging ??? Impact of prices on sales OHT 2. 8 RESEARCH AND DISTRIBUTION ??? Effectiveness ??? Channel types ??? Patterns ??? New Channels ??? Costs/Savings ??? Locations ??? Modes of transportation ??? Individual distributors OHT 2. 9 RESEARCH ON SALES AND OPERATIONS ??? Job analysis ??? Problem identification ??? Training needs ??? Territorial planning ??? Target selling RESEARCH ON ADVERTISING ??? Marketing penetration ??? Effectiveness ??? Buying motives ??? Copy testing OHT 2. 10

WHAT NEEDS TO BE CONSIDERED WHEN DESIGNING A MARKET RESEARCH PROJECT? What information managers' would like must be balanced against what is actually needed, and what is feasible and financially viable to acquire and monitor. In a nutshell ... obtain specific information to satisfy specific needs that is not now specifically available or known. OHT 3. 1 THE MARKET RESEARCH PROCESS ??? Define the problem ??? Decide objectives ??? Conduct a situational analysis ??? Conduct informal investigation ??? Design & conduct a formal investigation OHT 3. 2 DEFINE THE PROBLEM The problems are usually expressed in simple terms, and are void of possible causal factors. The problems are usually identified from within the organisation. % drop in sales over 3 months Potential market unknown Future consumer needs unknown Once the problem is clearly defined, the market researcher and the manager must set the research objectives. OHT

3. 3 Research Objectives are usually one of three types: Exploratory research gathers preliminary information that will help to define problems better and suggest hypotheses. Descriptive research is used to describe marketing problems, situations, or markets better, such as the market potential for a product and the demographics and attitudes of consumers. Causal research is used to test hypotheses about cause and effect relationships. OHT 3. 4 HOW KNOWLEDGE IS ACQUIRED Accepting what others say is true ??? Authoritative statements ??? Intuition ??? Scientific or tested ideas Marketing adopts an objective approach ... its findings are to be based on facts and be able to be tested. OHT 3. 5 RESEARCH METHODS MAY INCLUDE: OHT 3. 6 SCIENTIFIC RESEARCH METHOD ??? Define the problem ??? Analyse the situation ??? Get problem-specific data ??? Interpret the data ??? Solve the problem Four characteristics: ??? Objectivity ??? Precision ??? Logic ??? Predictable OHT 3. 7 HYPOTHESES, LAWS THEORIES, CONCEPTS AND PRINCIPLES ??? A hypothesis is a tentative statement describing relationships between concepts. (I hypothesise that sales are dropping because of the price increase.) Law is when a relationship has been thoroughly tested and determined to be invariable. (Sales of luxury items decrease as unemployment figures rise.) OHT 3. 8 ??? Theories - explains why the relationship in law occurs. (Sales of luxury items fall because unemployment benefits are not sufficient to support lavish lifestyles.) ??? Principles are based on a fundamental truth as a basis of reasoning. (If a person is unemployed, their hierarchy of needs shifts to more fundamental levels. People will seek to satisfy lower order needs.) OHT 3. 9 VALIDITY, RELIABILITY, AND OBJECTIVITY OHT 3. 10 FOUR COMMON APPROACHES FOR DETERMINING VALIDITY ??? Face validity means that the reaction is so self-

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evident that there can be no quarrel with it. ??? Predictive validity confirms the expected measure. ??? Convergent validity exists if two or more measures of a variable arrive at the same conclusion. Discriminate validity denotes low correlations between the measures of interest and other measures that are supposedly measuring the same concept. OHT 3. 11

INTERPRETING THE FINDINGS

This is a participative process between the organisation and the marketer. A simple rule is that the data should not be interpreted to merely support or refute hypotheses, or to validate a research method. Objective analysis will present data that the organisation can weigh against its objectives.

For example, research may prove that a viable market exists, but the costs involved in penetrating that market may be prohibitive. OHT 3. 12

DEVELOP THE RESEARCH PLAN

Research plans are unique to the organisation and their goals, and are usually developed in consultation with a marketing person. To develop a plan, the specific information sought is expressed in questions so that research techniques are appropriate and beneficial. ???

What are the demographic, lifestyle and economic characteristics of the likely or actual consumers of my products? ??? What are their usage patterns? ??? What are the consumer attitudes towards my products, or competitor products? ??? What is the forecast for consumption or sales? OHT

4. 1 COLLECTING INFORMATION

To meet the information needs, the researcher can gather primary and secondary data. Primary Data is information collected for the specific purpose at hand. Secondary Data is information that may already exist elsewhere, having been collected for another purpose. Inexpensive data may

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be gathered from: ??? Internal sources ??? Government publications ???

Periodicals and books ??? Commercial data OHT 4. 2 PRIMARY DATA

Research methods explained Observational research - is the gathering of primary data by observing relevant people, actions and situations. Survey research - is the gathering of primary data by asking people questions about their knowledge, attitudes, preferences and buying behaviour.

Experimental research - is the gathering of primary data by selecting matched groups of subjects, giving them different treatments, controlling unrelated factors and checking for differences in group responses. OHT 4. 3 DATA COLLECTION Internal (Primary) Data is usually located within the organisation itself ??? Sales data ??? Credit reports ??? Inventory reports ??? Transportation costs ??? Raw materials costs External (Secondary) Data is collected from outside the organisation ??? Research agency ???

Government statistics ??? Industry reports OHT 6. 1 MARKETING

INFORMATION SYSTEM (MIS) MIS consists of people, equipment and procedures to gather, sort, analyse, evaluate and distribute needed, timely and accurate information to marketing decision-makers. OHT 6. Marketing

Information System (MIS) Marketing Managers Analysis Planning

Implementation Organisation Control Assessing Information Internal Records

Marketing Intelligence Distributing Information Information Analysis Market

Research Marketing Environment Target Markets Marketing Channels

Competitors Macro-environmental forces OHT 6. 3 MARKETING RESEARCH

PROCESS ??? Establish the need for marketing research ??? Define the

problem ??? Establish research objectives ??? Determine research design ???

Identify information types and sources ??? Determine methods of assessing

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data ??? Design data collection forms ??? Determine the sample plan and size ??? Collect data Analyse data ??? Prepare and present a report OHT 7. 1 EXTERNAL BUSINESS ENVIRONMENT OHT 8. 1 FUNCTIONS OF A QUESTIONNAIRE ??? Translate research objectives into specific questions to be asked of the respondents. ??? Standardise questions and response categories ensuring each participant responds to the same stimuli. ??? Present to promote cooperation and motivation: wording, question flow and appearance. ??? Provide record of research ??? Speed up data analysis ??? Present information that could be subjected to reliability tests, follow-ups, or other validation OHT 8. 2 FOUR TYPES OF QUESTIONS ??? Open-ended questions invite the respondent to answer in their own words. Multiple-choice questions invites the respondent to choose responses from a list ??? Dichotomous questions are an extreme form of multiple-choice, in that only two choices are offered. (Yes/No) Closed questions require a respondent to make one or more choices from a list of possible responses (D. O. B. , Gender etc.) OHT 8. 3 QUESTIONNAIRE DEVELOPMENT ??? Plan what to measure ??? Formulate questions to obtain the needed information ??? Decide on the order and wording of the questions and the layout of the document ??? Test the questionnaire for omissions and ambiguity ??? Correct the problems and pre-test OHT 8. 4 FOUR BASIC APPEALS OHT 8. 5 DEVELOPING QUESTIONS You should: focus each question on a single topic ??? keep the questions brief ??? ensure each respondent can interpret the question the same way ??? use the respondents' core vocabulary ??? make the sentence grammatically simple. OHT 8. 6 DEVELOPING QUESTIONS You should not: ??? assume anything ??? question beyond the respondents' ability or experience ??? use an example to generalise ??? ask anyone to recall <https://assignbuster.com/identify-marketing-opportunities-assignment/>

specifics when generalities will only be remembered ??? ask anyone to guess
 ??? ask for details that cannot be related ??? use words to overstate a
 condition ??? have ambiguous words ??? ask double-barrel questions ???
 lead the respondent to an answer ??? use emotional appeals OHT 8. 7

ATTITUDE MEASUREMENTS

Attitude in marketing refers to a person's point of view towards an object or
 thing. Qualitative research is used to find out what is in the consumers'
 mind. The Why aspect. Quantitative research focuses on the who, what,
 when, and where aspects. OHT 8. 8 INDIRECT METHODS OF MEASURING

ATTITUDES MAY INCLUDE: Likert Scales measures the intensity of agreement
 or disagreement. SA ??? Strongly Agree A ??? Agree D ??? Disagree OHT 8. 9

FOUR BASIC MEASUREMENT SCALES Nominal Scale uses numbers to identify
 objects. ??? Postcode, Social Security Number etc. Ordinal Scale places
 variables in order ranking. ??? Smith ??? No. 1 Salesperson ??? Jones ??? No.
 2 Salesperson

Interval Scale rates specific values to objects. ??? 5= Excellent, 1= Poor

Ratio Scale uses absolute zero to make comparison. ??? Smith sells 12 per
 day ??? Jones sells 6 per day ??? Smith's output is twice (2x) that of Jones.

OHT 8. 10 METHODS OF MEASURING ATTITUDES In addition to the four
 scales, we can measure attitudes through direct observation of physiological
 and psychological reactions. ??? Behaviour ??? Mannerisms ??? Gestures ???
 Perspiration ??? Emotional reactions OHT 8. 11 SOME LIMITATIONS OF

ATTITUDE MEASUREMENT ??? Attitude measurement is imprecise ??? The
 types of data provided by certain techniques may be interpreted differently
 by researchers ??? Attitudes of individuals are subject to change Attitudes

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are merely one factor influencing behaviour OHT 9. 1 SAMPLING & POPULATION Population refers to the entire set of all possible observations for any variable. A population is appropriate for surveying when the population size is small. For example, a researcher may research the health & fitness industry (gymnasiums) to gather information on the use of solariums. Sample refers to a subset of a population. A sample is used when the population is too large to survey. For example, instead of surveying 20, 000 people, one might sample 2, 000 people and extrapolate the findings as representative of the whole. OHT 9. 2 PROBABILITY SAMPLING NON-PROBABILITY SAMPLES Snowball Samples - is a form of judgement sampling. Initially a judgement sample is made and then individuals are asked to recommend others who match their behaviours. OHT 9. 4 DETERMINING THE RELEVANT SAMPLE SIZE ??? Arbitrary Approach uses the 'rule of thumb'. ??? Conventional Approach is based on what a person knows from experience. ??? Cost-basis Approach is when the costs determine the sample size. ??? Statistical Analysis Approach is used to analyse subgroups within a sample. ??? Confidence Interval Approach includes concepts of variability, confidence interval, sampling distribution and standard error of a mean percentage. OHT 11. 1 OBSERVATION AND EXPERIMENTAL METHODS Observation Method - involves the use of people or mechanical devices to monitor selected activities with or without the knowledge of the people being observed. It may be direct or indirect. Advantages - are accuracy, no bias and no dependence on the subject's ability or experience. Disadvantages - include infrequent occurrence of behaviour, subjects may fake responses, inappropriate for intimate activities. OHT 11. 2 TYPES OF OBSERVATIONS ???

Direct ??? Indirect ??? Disguised ??? Undisguised ??? Structured ???

Unstructured ??? Human ??? Mechanical OHT 11. 3 CONDITIONS FOR

OBSERVATION OHT 11. 4 USE OBSERVATION WHEN EXISTING INFORMATION

IS INSUFFICIENT TO MAKE A DECISION Here are the steps... 1. Decide on

what, who and where to observe 2.

Choose specific methods, like aware or unaware, manual or mechanical 3.

Define precisely the activities to be observed 4. Train observers to ensure

consistency. OHT 11. 5 EXPERIMENTS Experiments are a form of research

that manipulates selected intended variables and measures the affect of the

manipulations. Advantages ??? Accurate and conclusive findings ???

Hallmark of scientific research ??? Objectivity ??? Can be lab based or in the

field Disadvantages ??? Uncontrollable factors may influence ??? Test unit

may not be representative OHT 11. 6 COMMON TERMS USED IN

EXPERIMENTS Causality ??? Cause and effect between two or more

events ??? Causal relationships need not be 100% certain Causal

relationships have to be ' highly probable' Control Group ??? Uses the same

characteristics as the test group, but are not subject to the treatment ???

Used to compare with the test group to see if the changes are influenced by

the treatment OHT 11. 7 Field Experiment ??? Done in the ' real world'.

Laboratory Experiment ??? Tests are carried out in a controlled

environment ??? Extraneous forces are minimised or eliminated. OHT 11. 8

SIX EXTRANEIOUS (' UNCONTROLLABLE') FACTORS ??? Changes in current

events ??? a breakthrough from a competitor; economic changes; natural

disasters ... ??? Changes in technology ??? computers; impact of maturation

(workers becoming more experienced) Repeated testing ??? if the same

people are tested more than once, the results may be affected. ??? Selection errors ??? it may not be a representative sample; insufficient sample size; and volunteers are not randomly selected. OHT 11. 9 ??? Reliability ??? the outcome remains stable and consistent when the experiment is repeated. ??? Validity ??? the experiment measures what it claims to measure. OHT 12. 1 MAIL SURVEY, TELEPHONE & PERSONAL INTERVIEW A Mail Survey consists of four components: ??? the questionnaire ??? covering letter ??? stamped addressed envelope ??? an incentive to participate. OHT 12. 2 Advantages ??? Low cost ??? Large areas can be covered ??? No interview bias ??? Easy to reach sample audience Respondent remains anonymous ??? Replies are normally to the point ??? Mailing lists are available Disadvantages ??? No response ??? 10-15% of responses are biased ??? If not short, the respondent may not complete it ??? Unable to verify answers as true ??? The respondent may not be in your target profile OHT 12. 3 TELEPHONE INTERVIEW Advantages ??? Fast gathering of information ??? Low cost for local area calls ??? Easy to do a random sample ??? Flexible ??? More personal than mail ??? More detailed questions can be asked ??? Higher response rate (65%) Disadvantages ??? Difficult to obtain unlisted numbers ??? Short conversation & answers ??? Attitudes are hard to judge ??? Cannot use visual aids Hard to validate demographics (income, age, etc) OHT 12. 4 PERSONAL INTERVIEW & FOCUS GROUPS Advantages ??? Feedback is immediate and multi-dimensional (words, expressions, gestures) ??? Rapport is increased. ??? Quality control regarding participant selection ??? Adaptability is in the control of the interviewer. Disadvantages ??? Costs for labour and time ??? Time consuming ??? Subjectivity of assessor ??? Human error in writing results OHT 12. 5 TYPES <https://assignbuster.com/identify-marketing-opportunities-assignment/>

OF PERSONAL INTERVIEW ??? Door to door - interviewing people in their own homes ??? Executive interviewing - similar to door to door, except it takes place in the business person's office ??? Mall intercept survey - random survey of crowd members Self-administered questionnaire - does not involve an interviewer ??? Purchase intercept technique - before or after the actual purchase ??? Omnibus survey method - weekly, monthly, annually etc OHT

12. 6 TELEPHONE Advantages Disadvantages PERSONAL INTERVIEW

(INDIVIDUAL & GROUP) Which interview method is best will be determined by the type of information sought, the number of respondents required etc.

Personal Interview ??? the interviewer must gain the interviewee's cooperation and confidence, and the time involved may range from a few minutes to a few hours. Focus Group Interviews ??? the interviewer invites six to ten people to meet with a trained interviewer to talk about a product, service or organisation.

The interviewer needs knowledge of the product, industry and human behaviour. People are usually paid to participate. On-line Surveys ??? Using e-mail, HTML-coded web forms etc allow fast, inexpensive results, but again limits apply regarding response profiles, accuracy etc. OHT 13. 1 TEST

MARKETING Three reasons to use test marketing: 1. test the reactions of the marketplace to a new product 2. evaluate alternative marketing mixes for new or existing products 3. gain more information or experience before launching the product nationally or internationally. OHT 13. 2

Advantages ??? Minimises losses ??? Ensure new product doesn't cannibalise sales of existing products Very accurate with high external validity ???

Ultimate way to test a new product ??? Allows for pre-testing ??? Able to

accurately predict product performance Disadvantages ??? High costs ??? Alerts competitors ??? Does not guarantee success ??? Alerts to more problems ??? Infallibility OHT 13. 3 GUIDELINES TO TEST MARKETING ??? Test only products with a good chance of success ??? Set a test period (10-12 months) ??? Minimum 2 cities (geographical areas) and 4 cities for a national launch ??? Do store audits for: Quantity Who purchases Resources ??? Test marketing acceptance by copying the promotional mix: Price levels Promotional effectiveness Discounts & samples Advertising

Packaging ??? Minimise losses OHT 13. 4 TEST MARKETING SHOULD NOT BE USED FOR: ??? faddish products ??? easy to copy products ??? expensive products ??? products with a low failure rate ??? extra assurance ??? competitor's influence ??? similar products. OHT 13. 5 VARIOUS TYPES OF TEST MARKETING Standard test marketing ??? test the product and the marketing mix Controlled test marketing ??? conducted externally by research firms Electronic test marketing ??? panel of consumers agrees to carry an identification card, which they present and have scanned whenever they purchase goods or services Simulated test marketing (STM) ??? a fast, inexpensive and confidential method:

People are selected on certain demographics and are shown commercials of a target product, and that of a competitor's. They are then given the opportunity to buy and consume. After they have used the product they are re-interviewed. OHT 13. 6 FOCUS GROUP Groups of six to ten people moderated by a facilitator. In-depth open-ended responses are generated usually within an hour. Why a focus group? ??? Generate hypotheses ??? Develop consumer questionnaires ??? Obtain impressions on new

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products ??? Stimulate ideas for creative concepts ??? Stimulate new ideas for old products ??? Help to interpret or confirm quantitative results OHT 13. 7 Advantages ??? Scientific ??? Specialisation ??? Spontaneity ???

Stimulating ??? Synergism ??? Speed Security ??? Snowballing Need to consider ??? Group size ??? Respondents ??? Physical setting ??? Timing ??? Number of focus groups to interview OHT 14. 1 TABULATING, ANALYSING DATA AND REPORT WRITING Tabulation - means bringing similar information together and totalling it into meaningful categories. Analysing - means the identification of useful data and relating that data to product and marketing issues. Report writing - means presenting the data in a succinct and logical manner to the intended reader; summarising the key points; interpreting the statistical data; and suggesting use of such data as balanced against the research objectives. **MARKETING CONCEPT**

The marketing concept is a philosophy that emphasises the key to achieving goals consists of determining the needs and wants of target markets and delivering the desired satisfaction more effectively than competitors.

ACTIVITY XXX Coffee shop is really popular, but customer numbers have been dropping by nearly 5% per day since Ben started on the weekday shift two weeks ago. He usually worked on the weekend evening/night shift. ??? How would you go about finding the reason/s why customer numbers are dropping in the coffee shop? ??? Can you put a hypothesis forward now? ??? What type of research is appropriate? ??? How would you test and validate your findings? Can you list three questions you might ask the coffee shop owner? ??? Can you list three questions you might ask a patron? Support Information - Activity Ben is allowed to play his own music (very alternative,

loud, sometimes heavy metal) on weekends, and has developed quite a large following of customers who identify with Ben's music tastes. The weekend consumers are markedly different from the weekday business executives that frequent the shop. Ben played loud music during the day and changed the 'service-scape'. Regular daytime customers just didn't feel comfortable with the loud music. Research should focus on: ??? customer expectations ??? customer profile ————— Developing Information